



Grain Transportation Report

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Contents

Grain
Transportation
Indicators

Rail
Transportation

Barge
Transportation

Truck
Transportation

Grain Exports

Ocean
Transportation

Brazil
Transportation

Contacts
and
Links

Subscription
Information

The next
release is
Dec. 22, '05

Third Quarter Transportation Cost of Shipping Soybeans from U.S. and Brazil to Europe Remains Almost Stable. The cost of shipping soybeans from Minneapolis, MN, and Davenport, IA, to Hamburg, Germany, decreased slightly during the third quarter 2005 compared with the second quarter (see table). The cost of shipping soybeans from Brazil to Hamburg also changed only slightly.

Quarterly cost of transporting soybeans from U.S. and Brazil to Hamburg, Germany

	2005 2nd qtr.	2005 3rd qtr.	Percent change	2005 2nd qtr.	2005 3rd qtr.	Percent change
United States						
Minneapolis, MN						
	--\$/mt--		--%--	--\$/mt--		--%--
Truck	7.82	8.90	13.81	7.82	8.90	13.81
Barge	18.93	28.88	52.56	14.67	23.63	61.08
Ocean ¹	32.81	21.34	-34.96	32.81	21.34	-34.96
Total transportation ²	59.56	59.12	-0.74	55.30	53.87	-2.59
Farm Value ³	230.84	224.26	-2.85	226.81	225.97	-0.37
Landed Cost	290.40	283.38	-2.42	282.11	279.84	-0.80
Transport % of landed cost	20.51	20.86		19.60	19.25	
Brazil						
Northwest RS⁴ - Rio Grande⁵						
	--\$/mt--		--%--	--\$/mt--		--%--
Truck	12.68	12.65	-0.24	79.07	80.67	2.02
Ocean ⁶	44.39	43.04	-3.04	44.84	43.54	-2.90
Total transportation ²	57.07	55.69	-2.42	123.91	124.21	0.24
Farm Value ⁷	210.19	214.23	1.92	161.38	175.08	8.49
Landed Cost	267.26	269.92	1.00	285.29	299.29	4.91
Transport % of landed cost	21.35	20.63		43.43	41.50	
South GO⁴ - Santos⁵						
	--\$/mt--		--%--	--\$/mt--		--%--
Truck	40.11	41.86	4.36	22.82	22.76	-0.26
Ocean	45.84	44.54	-2.84	44.84	43.54	-2.90
Total transportation ²	85.95	86.40	0.52	67.66	66.3	-2.01
Farm Value ⁷	179.81	188.26	4.70	207.04	222.81	7.62
Landed Cost	265.76	274.66	3.35	274.70	289.11	5.25
Transport % of landed cost	32.34	31.46		24.63	22.93	
North Center PR⁴ - Paranaguá⁵						
	--\$/mt--		--%--	--\$/mt--		--%--
Truck	40.11	41.86	4.36	22.82	22.76	-0.26
Ocean	45.84	44.54	-2.84	44.84	43.54	-2.90
Total transportation ²	85.95	86.40	0.52	67.66	66.3	-2.01
Farm Value ⁷	179.81	188.26	4.70	207.04	222.81	7.62
Landed Cost	265.76	274.66	3.35	274.70	289.11	5.25
Transport % of landed cost	32.34	31.46		24.63	22.93	

¹Source: The Baltic Exchange; ²Excludes handling charges

³Source: USDA/NASS

⁴Producing regions: RS = Rio Grande Do Sul, MT = Mato Grosso, GO = Goiás, PR = Paraná

⁵Export ports

⁶Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

⁷Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

The cost of moving soybeans from Minneapolis to Hamburg decreased about one percent from the previous quarter. The cost from Davenport decreased about three percent.

The costs of transporting soybeans from both Northwest RS and North Center PR, Brazil, to Hamburg were approximately two percent lower during the third quarter. The cost of transporting from North MT and South GO remained nearly the same.

Although truck and barge rates increased in the U.S. during the third quarter, this increase was offset by a substantial drop in ocean rates due to a slow recovery in volume of bulk exports from the normally slow second quarter. Ocean rates declined at all the shipping ports in Brazil during this period. Increased truck rates could be attributed to higher diesel prices, while Hurricanes Katrina and Rita affected the barge rates.

The transport costs from Davenport to Hamburg were 19 percent of the landed cost (figure 1). The transport costs from North Mato Grosso, Brazil, to Hamburg were 42 percent of the landed costs (figure 2). Transport costs from South GO were 31 percent of the landed cost; those from North

Center PR were 23 percent.

Figure 1 -- Distribution of landed costs of shipping soybeans from Davenport, IA to Hamburg, Germany, 3rd quarter 2005

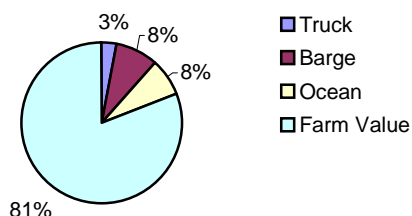
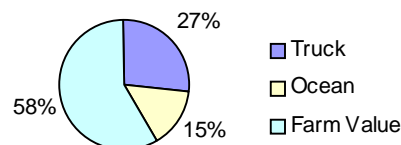


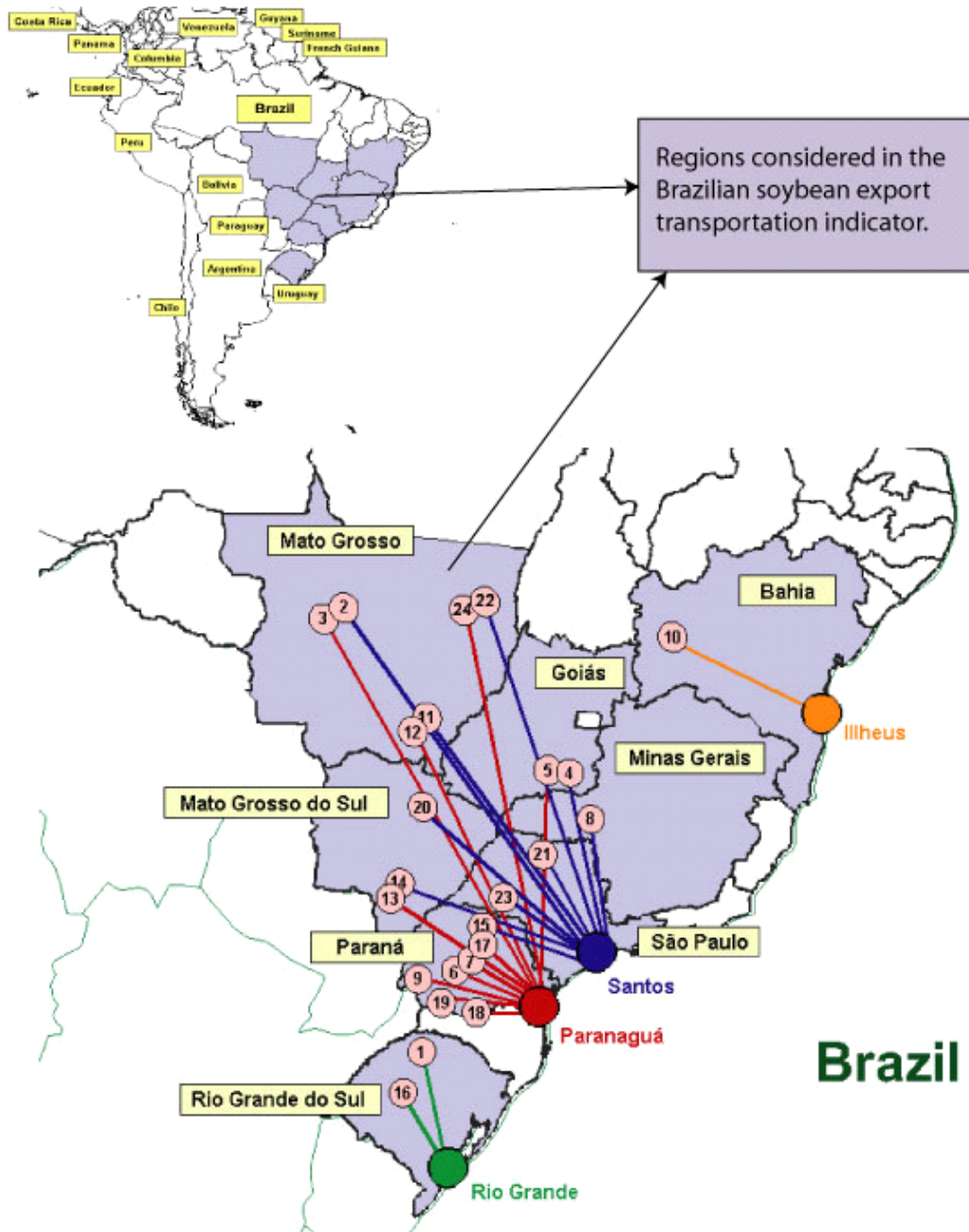
Figure 2 -- Distribution of landed costs of shipping soybeans from North Mato Grosso, Brazil to Hamburg, Germany, 3rd quarter 2005



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Brazil Transportation

Figure 15
Routes and Regions considered in the Brazilian soybean export transportation indicator¹



¹Regions comprised 84 percent of Brazilian soybean production, 2003
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 18--Truck rates for selected Brazilian soybean export transportation routes, 3rd quarter 2005

Route #	Origin ¹ (reference city)	Destination	Distance (miles) ²	Weight(%) ³	Freight price (per 100 miles) ⁴
1	Northwest RS ⁵ (Cruz Alta)	Rio Grande	288	16.6	4.39
2	North MT(Sorriso)	Santos	1190	10.1	6.99
3	North MT(Sorriso)	Paranaguá	1262	9.5	6.39
4	South GO(Rio Verde)	Santos	587	7.0	7.13
5	South GO(Rio Verde)	Paranaguá	726	5.6	5.60
6	North Center PR(Londrina)	Paranaguá	268	4.4	8.49
7	Western Center PR(Mamborê)	Paranaguá	311	3.9	5.88
8	Triangle MG(Uberaba)	Santos	339	3.8	9.93
9	West PR(Assis Chateaubriand)	Paranaguá	377	3.7	5.95
10	West Extreme BA(São Desidério)	Ilhéus	544	3.6	7.56
11	Southeast MT(Primavera do Leste)	Santos	901	3.6	6.76
12	Southeast MT(Primavera do Leste)	Paranaguá	975	3.3	6.14
13	Southwest MS(Maracaju)	Paranaguá	612	3.1	5.69
14	Southwest MS(Maracaju)	Santos	652	2.9	5.66
15	West PR(Assis Chateaubriand)	Santos	550	2.5	5.65
16	Western Center RS(Tupanciretã)	Rio Grande	273	2.4	5.60
17	Southwest PR(Chopinzinho)	Paranaguá	291	2.3	8.34
18	Eastern Center PR(Castro)	Paranaguá	130	2.3	9.53
19	South Center PR(Guarapuava)	Paranaguá	204	2.1	8.32
20	North Center MS(São Gabriel do Oeste)	Santos	720	2.0	5.25
21	Ribeirão Preto SP(Guairá)	Santos	314	1.5	7.98
22	Northeast MT(Canarana)	Santos	950	1.4	7.62
23	Assis SP(Palmital)	Santos	285	1.2	8.01
24	Northeast MT(Canarana)	Paranaguá	1075	1.2	6.72
Average			626	100	6.48

¹Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price

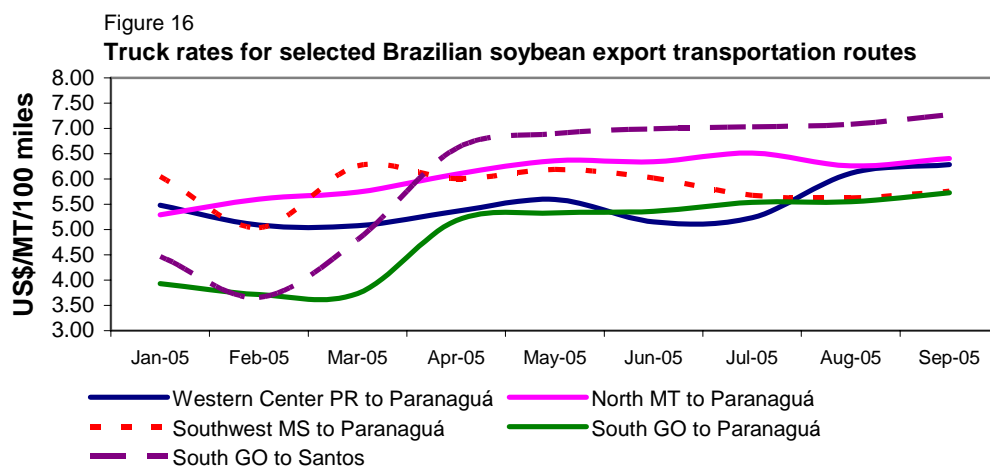
²Distance from the main city of the considered region to the mentioned ports

³The weight is directly proportional to the amount of production in each region

⁴US\$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

⁵RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso Do Sul, SP = São Paulo

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Table 19--Monthly Brazilian soybean export truck transportation cost index

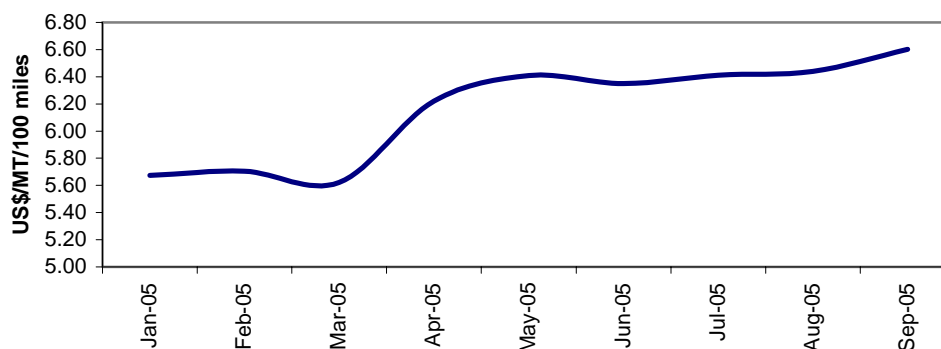
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90
Jul. 05	6.41	1.0	112.99
Aug. 05	6.44	0.4	113.46
Sep. 05	6.60	2.5	116.36

*weighted average and quoted in US\$ per metric ton

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 17

Brazilian soybean export truck transportation weighted average prices, 2005



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 20--Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Hamburg, Germany (US\$/metric ton)*

Ports	2005 1st qtr	2005 2nd qtr	2005 3rd qtr
Santos	45.53	45.84	44.54
Paranagua	44.64	44.84**	43.54
Rio Grande	44.20	44.39	43.04

*correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volumes

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

**Revised figure

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Related Websites

<i>Agricultural Container Indicators</i>	http://www.ams.usda.gov/tmd2/agci/
<i>Ocean Rate Bulletin</i>	http://www.ams.usda.gov/tmd/Ocean/index.asp

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